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B. At Port Said, the Egyptians had sunk at least one large dredger--the canal company's best--one salvage vessel, three floating cranes. None of these was loaded with ballast. One large freighter and one large barge have been observed moored end to end across the channel, ready for scuttling.

1. Most of the canal's other floating salvage, dredging and maintenance equipment is reported to have been scuttled throughout the canal. The effect of these actions has not yet been fully assessed.

C. Some 40 miles south of Port Said, the abutments of the Firdan Bridge (the only highway crossing the canal) have been blown into the canal. The railroad bridge at Qantara may also have been demolished.

D. Immediately south of Lake Timsah, above Ismailia, the Egyptians have sunk an LST, loaded with rock ballast, leaving only ~~the bow~~ of ~~the vessel~~.

~~1. This vessel had been prepared as a block ship, and was attacked by British naval aircraft in an effort to sink it out of the ship channel. The attack was not completely successful.~~

E. At the south end of the canal, near the town of Suez, ~~there is~~ one Egyptian Navy frigate and ~~one~~ fishing boat of ~~undetermined~~ ~~type~~ ~~which~~ ~~has~~ ~~been~~ ~~sunk~~ ~~across~~ ~~the~~ ~~channel~~.

F. The Egyptians ^{can} ~~are~~ further impeding clearing of the canal by ~~damage to~~ destruction of the fresh water canal and pumping station which supplies Port Said. ^{+ Canal zone} ~~There is no fresh water in the canal zone, and it must be brought by canal from the~~ ^{Suez} ~~area.~~

NSA review completed

7 NOVEMBER 1956

EGYPTIAN SITUATION

I. Nasser still controls government of Egypt, ^{but} His prestige ~~has been~~ shaken, with some groups--e.g., Egypt's intellectuals, probably some army, air force personnel.

A. ~~But no sign~~ ^{has not ed} so far that disillusionment is turning into kind of opposition that could bring him down. ^{Soviet moves have}

B. Fact that Egypt did not fold up at once ^{at Port Said} ~~in face of combined~~ Israeli-French-British assault ^{Port Said skirmish a "Stalingrad"-episode to} ~~appears to~~ have been a boost for Nasser. ^{lose to French + British}

C. ~~Additional factor in Nasser's current control is lack of~~

~~Alternative~~. No clear alternative Nasser.

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1. French-controlled radio "Free Egypt" has called on populace to rise in favor of Naguib

2. ~~Unless UN-French occupation extends beyond Canal Zone~~
- ~~new revolution or coup in Egypt seems unlikely in immediate~~

II. Internal security in Egypt still ^{fair} good, although--prior to cease-fire--reported weakening in face continued air attacks.

- A. Resumption Anglo-French attack could lead to serious rioting, despite regime's apparent determination maintain order.

III. Nasser's military situation poor for prolonged conventional operations against major Anglo-French invasion effort, but not hopeless for semi-guerilla campaign--"street to street, house to house"--such as he has contemplated.

A. Ground forces *available to Nasser about* ~~(not counting paratroopers, who were in prolonged battle)~~ ~~still number as high as~~ 90,000, though overall organization weak. *Morale doubtful*

Major portion of armor still available: at least 3 armored groups (tanks, infantry and self-propelled artillery) left after Sinai losses.

B. Egyptian air force inoperative.

1. Some planes--IL-28's, a few transports, and possibly some MIG's--have been sent to safety in Saudi Arabia, Syria.

25X1

C. Egypt's navy *ineffective* ~~also inoperative. One patrol vessel is safe in Saudi harbor. Status of units at Alexandria and Suez unknown.~~

D. Egyptians buoyed up, at least temporarily, by Soviet "tough talk."

1. Sound trucks went round Alexandria streets 5 Nov announcing Sov aid coming.

II. Nasser will try to use combination of Soviet threats and cease-fire to better his bargaining position. *Sov. aid*

A. Already signs that regime's earlier willingness to give US virtual carte blanche to save Egypt from French and British has diminished.

B. As of now, Soviets have regained serious losses of prestige--in Egypt and other Arab states--they suffered during first week of hostilities.

C. Local populations will probably attribute announcement to Anglo-French cease-fire to Soviet intervention threats.

V. As to the Suez Canal, Anglo-French invasion forces claim to control it from Port Said to ~~Quantia~~ ^{Quantia} (3) ~~the central point~~ ^{But have only} ~~the central point~~.

A. At least 7,000 Anglo-French troops landed in the Port Said area prior to the cease-fire at 0200 hours local time, 7 November.

~~B. The Anglo-French forces have declared that technicians and equipment, which accompanied the invasion, will undertake operations to clear the canal.~~ No cease fire -

VI. The British Admiralty says it may take two to three months to restore canal operations.

A. The approaches to the northern and southern entrances to the canal have been mined. ~~It is also possible that naval mines have been planted in the canal.~~ Lighthouses and navigational aids have been destroyed or damaged--~~including the lighthouses on Shadwan Island and the Brothers, in the north of the Gulf of Suez and the Red Sea.~~

25X6

B. Syrian ~~civilians~~ ^{not} also anxious not to start war, though they fatalistically assert themselves bound to Egyptian ~~which~~.

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1. Utter incapacity Syrian army for major operations

~~III. Syrian civilians, despite desire for restraint, appear powerless to control their G-2 chief Sarraj, who favors immediate aid to~~

Syria
9-2, head of sabotage, unusual
Sarras, ~~is apparently responsible for sabotage of~~ IPC pipelines
in Syria.

IRAQ -

IX. ~~Role of near neighbor Iraq, which~~ sent troops into Jordan ~~only~~
after written request from King Hussain and much haggling over
command set-up, is still obscure.

~~A. Iraqis may hope to be residual heirs from partition of Jordan~~
~~if Israel withdraws,~~

B. Baghdad may be doing the least it feels it can getaway with in
way of gestures to support Arab unity.

1. Nuri's known pro-British posture has already brought
criticism; ~~one of his army~~ army might not follow Nuri's
orders if he sought to protect British.

~~Finally,~~ *A* small detachment of Saudi troops has also moved
into Jordan, on the south.

X. ~~Meanwhile, from Israeli view, continuation of threats from Jordan~~
~~and Syria, disorder and disorganization in those countries, and~~
~~continuing Palestinian opposition~~ *all this* provide Israelis with golden excuse
to move troops to occupy West Jordan, ~~thus completing Israeli conquest~~
~~of all of old Palestine mandate.~~

A. ~~Soviet note to Baghdad is probably single factor giving Iraqi police present.~~

X1. Perhaps most serious problem, from overall European view, is Arab sabotage of oil installations. Thus far, sabotage has chiefly hit IPC facilities in Syria and Lebanon.

A. On 3 Nov, one Syrian pumping station (T-2) was destroyed and two others (T-3 and T-4) seriously damaged. On 5 Nov, IPC pipelines near Tripoli, in Lebanon, were blown up. Earlier, a fire was reported at the terminal of one of the IPC lines at Barliyas, in Syria.

B. The IPC lines, carrying oil from Kirkuk, in Iraq, normally account for over two-thirds of the average 95,000 tons/day of Middle East oil piped to Mediterranean ports. It may take 2 to 6 months to have these lines back in full operation, as though pumping at a reduced rate ^{could} ~~can~~ probably soon be resumed.

~~C. Other sabotage has been relatively minor.~~

1. ~~A small field-to-refinery pipeline on Qatar was sabotaged on 2 November, but has since been repaired.~~
2. Reports of damage to Aramco's TAPLINE have thus far proved false.

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Without further sabotage, Western Europe now faces petroleum shortages. Almost 90% of WE oil has come from Middle East. (on daily basis, WE consumes 275,000 tons of oil--of which 150,000 normally pass through Suez, 95,000 tons through pipelines). The already mentioned Admiralty estimates that it will take two to three months to clear canal. Daily delivery capacity of tankers engaged in Persian Gulf-Western Europe run will be cut 45 percent, if rerouted around the Cape.

1. Moreover, such rerouting would entail an initial loss of 15 days' supply because of the additional time required for the Cape route.

2. Only oil now arriving at Mediterranean via pipeline is through TAPLINE (some 27,000 tons/day), and the TAPLINE terminus as *under local order as* precaution against sabotage, has stopped loading *British & French* tankers *for Britain and France.*

3. Saudi Arabia has banned all oil shipments to Britain and France. A ~~press report of 7 Nov states that~~ *Operations at the Bahrain refinery are also being cut down,* as a result of Saudi *cutting off* ~~oil supplies (Saudi crude has accounted for~~ *for* ~~the Bahrain refinery, throughput).~~

25X1

... of ... in the United Kingdom, ...
... a 10-percent cut in domestic oil and
... allocations.

... and West Germans are in similar positions and
... planning allocation measures.

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